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SUPERVISOR:

Dr. SANDEEPA BHAT B.

Assistant Professor of Law, **WBNUJS**

SUBMITTED BY:

Kasturi Samanta.

-TOPIC-

CORPORATE SOCIAL RESPONSIBILITY IN POST -LIBERALIZED ERA WITH SPECIAL REFERENCE TO LABOUR RIGHTS IN INDIA.

INTRODUCTION

Globalization has influenced the trade all over the world. That is why the Companies have looked for new opportunities in doing business outside their home country. Globalization and liberalization are directly linked with each other. The first wake of globalization started in India when the economic liberalization policies are undertaken in the 1990s by Dr. Manmohan Singh, the then finance minister of the country. The liberalization policy under globalization has greatly influenced the Indian economy and made it a huge consumer market. Today most of the economic changes in the country are based on the demand-supply cycle and other economic factors. The term globalization is now widely used to capture a variety of economic, social, cultural and political trends which are extending over the boundaries of the world social system beyond the border of its nation state. Globalization as we understand it has became possible as a result of technological changes with improvisations in transportation and communication. Globalization is perhaps the most pronounced in the economic platform where production and marketing by multinational enterprises is giving way to the globally integrated transnational enterprises. As developing countries have begun lowering their trade barriers by liberalized economy, it has facilitated a transborder rationalization of production and firms seek to maximize the use of local factors of production to achieve competitive advantage on a global scale. It means they increasingly integrate the world into one capitalist political economy. So the trend, at present, is a shift from world economy based on national market economy to a borderless global market economy. In this context globalization means global economic liberalization and a global transnational production system which is based on a homogenized worldwide law of value. Competitive global economic order is possible mainly due to the integration of the newly industrialized countries and the developing nations. Although globalization and market liberalization have made some progress in terms of economic growth in certain countries, it has also had much negative impact in developing societies. As a result, the Multi-National Corporations (MNCs) or other transnational corporations need to take step to fulfill their social obligations towards the society, at the same time they must remember not to violate the rights of the people. Globalization intensifies the problems of poverty,

insecurity, fragmentation of society and thus violates human rights as well as human dignity of millions of people. For the purpose of having global economic development we are undertaking liberalization in the era of globalization. However the players of this economic development, that is, the MNCs and other corporations, are failing to ensure their accountability or responsibility towards the community at large. In this context, their liability can be minimized by increasing the accountability and responsibility through Corporate Social Responsibility (CSR). The liberalized economic policy spread under globalization has damaged the labour rights. It has de-humanized labour process and left the working class bereft of any benefit of development, freedom, liberty and justice. Not only the labour class, has the effect gone to general people and the environment also. We can see that there is lack of conservation of human rights, whether it is for labourers or for the general community. At the same time we know that human rights are the basic inalienable rights which should be maintained, protected or guaranteed. So the research will explore the triple bottom- line accountability of CSR that is people, planet and profit. It can no longer be conceivable or acceptable – and this is the root of all the controversy about whether CSR should be based on voluntary measures or non-negotiable rules of law. However, in recent years corporate social responsibility has gained growing recognition as a new and emerging form of governance in business. It is already established in the global context, with international reference standards set by the UN, OECD, and ILO conventions.

RESEARCH BACKGROUND

The evolution and emergence of law is deeply associated with the quest for justice, equality and liberty. It is universally acknowledged that without the necessary freedom and liberty no individual can fulfill his promise or will be able to give meaning to his life and values. It is in this context that efforts are made to realize the goals of freedom, liberty, justice and equality. The underlining assumption being that liberty and freedom will necessarily entail the flowering of human personality, and in their absence, it is really difficult to distinguish human society from the animal's world. The attainment of equality and justice also have been the perennial values of human society and needless to add law emerged as a response to such needs. Law in turn became the means to achieve justice, protect liberty and to guarantee freedom. As the spirit of common law shows that was Justice Coke's unflinching belief in the supremacy of law which cleared the path for the rule of law.

However, the journey to the rule of law is neither smooth nor linear rather it is marked with countless hurdles, be it the tyranny of absolute monarchs, dicta of military junta or hegemony of executive power. In the absence of rule of law and a system of interpretation of rule (the Courts), the life of an ordinary individual is collapsed into a morass of despair, disadvantage and dissonance. If this is one side of the scenario, the other is just marginally different, that is, where there is a mere existence of law and a complete lack of its application. In this context, one can site the example of the vast majority of people who are illiterate, disempowered and victims of state oppression. They have got the benefit of law protecting their life and liberty but do not have the temerity and spirit to invoke law. In such circumstances administration of justice and governance of human rights become a casualty.

Law is closely linked with the society; it faithfully reflects the nature of life lived by the members of a given society. Society as a changing reality keeps on moving with economic, scientific, and technological developments constantly throwing new challenges and creating new opportunities. In the context of a rapidly changing social

structure the legal system in general and law in particular needs to keep on evolving itself so that it can meet requisite challenge arising out of this transformation.

According to Sir Henry Maine[1], the society, which fails to evolve a law beyond a certain stage, is called 'static'. The societies, which go on developing their law by new methods, have been called 'progressive'. Any progressive society develops its law by three methods: the legal fiction, equity and legislation, which are adopted by the society in order to develop the law. The development of a society is largely depended on the stability of economy and its smooth functioning. Theories of economic growth often argue for the industrialization and investment of large-scale capital as a recipe for development. In this sense one can safely assume that both forms of development human and industrial are inter- related and inter-connected. So, by virtue of these rights the right of every human being should have right to development. While right to development is an inalienable human right by virtue of which every human being is entitled to participate in and enjoy economic, social, cultural and political development, in which all human rights and fundamental freedoms can be fully realized. Human development is essential part of right to development as human. Human development is the overall development of a human being with enhancement and expansion of human capabilities enabling a person to live a life of respect and value. The three human capabilities, which are essential for a decent living can be classified as:

- To lead a long and healthy life
- To be perfect in educational sphere
- To have resources for a standard living.

As the Human Rights and human development have a common context, our main aim will be to secure freedom in all aspects of standard of living namely gender, race, ethnicity, nationality, religion, economic disparity, difference in human potential, personal security, torture, violence, participation in decision making, health care, education, decent work and adequate nutrition with irradiations of poverty. Further it is

1 B.N.MANI TRIPATHI, JURISPRUDENCE 31(2004).

worth mentioning that every human being should be creative and productive to enjoy self-respect with empowerment and sense of belonging to the community.

The historical development of international human rights regime took place parallel with the development of the process of global economic regime. This human rights regime and the so-called free-trade labeled regime had a similar normative ambition of advancing human welfare, rights and opportunity[2].

As the development in the phase of globalization took place with the expansion and concentration of the international finance, capital makes a demand for maximizing its profits. There cannot be any conditions, restrictions or barriers for its movement across the countries that are the adoption of financial liberalization by the sovereign countries. The other part of the development taking place internationally is the high degree of concentration of industrial capital in the hands of the MNCs.

But there is growing recognition that liberalization process places major pressures on the labour market, human rights and environmental rights. Internationalization of the economy has important consequences for labour markets. Employment is becoming less secured and inequality with social exclusion more pronounced in many countries. At the same time, there are some fundamental socio-demographic changes, new family structures, an aging population, and migration. So, liberalization and rapid technological changes are transforming the world of work.

This industrial liberalization brings sweeping changes in the economy by boosting growth in certain sectors but at the expense of others, hence the disparity between the rich and poor gets further exacerbated. Since liberalization brings with it immense wealth and immense disparities, it may be considered as growing divisions between rich and poor countries and it also alters structures of some society by boosting certain sector,

2 But the paradox of this ambition was that the structure of the global economic order made the achievement of these rights impossible.

obviously the trade, but depressing other sector like agriculture[3]. Liberalization reduced rates of improvement in literacy, fall in real wages and rise in poverty result in income inequality in Indian society began to take gigantic proportion. But if we see overall global scenario then we can see the job opportunity is increased in the private sector. Public sector transfer into private sector and at the same time the spread of new technologies do not solve in anyway the problem of insecure employment. On the other hand with privatization, health and education are no longer rights rather a matter of luxury, which is to be bought and sold in the marketplace. So, gross human rights violation started to takes place. Moreover economic liberalization causes rising economic instability with the prevention, maintenance as well as development of locally appropriate and sustainable systems of commerce. So, inequality prevailed everywhere[4] because of this changing scenario from public to private sectors not concerned about their social involvement and many times leading to several environmental hazards. Hence impact of liberalized economy is massive.

At the same time in this liberalization period, the corporate sector, industries and basically the multinational companies create some problems, whether it is of environmental problems caused by these companies or affecting the rights of the labourers, or affecting the human rights of the total community.

Hence, the relation between liberalization, development and human rights raises policy and legal considerations. From a democratic standpoint, the welfare benefits of globalization are essential to the development of human rights in society at large. So, while coming to the concept of development and human rights in developing countries, human rights must be an integral part of the process of globalization. The developed countries are using their view of human rights concept as a measure-stick to judge developing countries for extending development assistance, as a result globalization increases the poverty, insecurity and breaking of the society and thus violating the human rights and human dignity of millions of people.

[3] In the 90's during the period of implementation of liberal economic policies and trade liberalization, rural economy effected mostly. Crop growth rates have decreased in the 1990s compared to the 1980s.
4 DEEPAK NAYYAR, GOVERNING GLOBALIZATION-ISSUES AND INSTITUTIONS 56(2007).

Development itself is often used as a multivalued social goal with material well-being, better living standard, education, and healthcare as a whole the desirable social and material welfare. But in today's globalization, the concept of development is explained differently and the concept of right to development is not taken seriously. Hence, when we are coming to the question of globalization along with industrial development, we can observe its effect on human rights.

In India and other developing countries, many development projects undertaken by the multinational corporations create environmental hazards during the establishments of an industry or while continuation of work over there or when any industrial accidents occurred and thereby violating human rights and community rights.

That is why in the era of economic liberalization, land accusation management and CSR aspects are assuming increasing importance. Due to complexity in a multi-racial and multi-caste society, understanding of community sensitivity to land and the local culture as well as the community expectations and requirement for development is often complex. Also in this context the proper law on environment impact assessment is required to judge the positive and negative impact of social, economical, environmental impact of a proposed project. We can observe the problems faced by the community during setting up of industries in few places.

From environmental point of view, the Dhamra[5] port project is the one, which receives significant controversy. In this project, Tata official have stated that proper mitigation measures are taken and there is no ecological threat but the conservation organization including Greenpeace have pointed out that no proper environment impact assessment has been done.

5L&T Infrastructure Development Projects Limited,*Dhamra Port*,April14,2012,availabla at http://www.lntidpl.com/dhamra-port.aspx

Another significant example of environmental problems caused by multinational corporations is the instance of extracting oil from Nigeria[6]. In this project the corporation took the help of military to harass and kill local people who continue to protest at the environmental problems. This is a serious matter violating the human rights of the community as a whole.

The silent valley project and tehri dam project[7] are the two stricking examples of India where our environmental rights are completely denied and we have failed to maintain ecological balance as is necessary to protect the human rights of the community.

There are several other establishments, which not really bound themselves about the community rights and human rights of the people like, Singur[8] where massive violation of human Rights took place during the establishment of Tata plant over there. Even, the other Special Economic Zone (SEZ) issues like Nandigram issue in West- Bengal or Chikmagalur in Karnataka bring and create lots of controversial situations. If a SEZ[9] is the policy matter of the Government under which they can take away any property or land from the citizen against their wish and also the price of the land will be decided and fixed by the Government. So, we can see if a Government want to take away the property of its citizen, it can do so and give it to companies or others whomsoever it feels like. So, again we can see that like liberalization policy it is also in the hand of Government who can violate the rights of the people according to its whim.

So, here if we can fix some responsibility or restrictions on our big companies and corporations during their movements, so that they should not interfere with the life or livelihood of the general citizen or community. So, it appears that the corporate bodies should be made to feel their responsibilities and recognize the concept of sustainable

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6Corporate social responsibility ,May 6,2011,available at http://ww.independent.co.uk/news/business/sustainit/corporate-social-responsibility-is-vital-for-business-survival-1640429.html

7 D. ROSENCRANZ, ENVIRONMENTAL LAW AND POLICY IN INDIA 417(2008).

[8]Global master in Finance ,*Relief for Tatas in Singur land case*,April 17,2012,available at http://www.business-standard.com/india/news/relief-for-tatas-in-singur-land-case/454505/

9 Maitrish Ghatok & Parikhsit Ghosh ,*Land for industry*, ANONDOBAZAR PATRIKA(kolkata) 22nd September, 2011

development[10] maintaining the balance between social developments with economic development.

External obligation of the corporate bodies is not to violate the human rights of the community peoples through the damage of environment and as regards their internal obligation they should also protect the human rights of their own employees. But practically it is observed that corporate bodies very often set aside the preservation of human rights of the employees on whom they mainly depend upon. Hence, the labour rights of employees should be the prime concern of economic development for the corporate bodies.[11]

There is little doubt that the human rights regime and global economic regime are contradictory in nature. Though this contradiction cannot be resolved easily, it can be tackled with a movement called CSR[12]. CSR is a form of voluntary self-regulation by corporations, which, amongst other things claims to bring the protection and promotion of human rights onto the corporate agenda; on the contrary we have seen that liberalization in conjugation with globalization intensifies the poverty, insecurity and violate the human dignity.

The concept of CSR is not new in India. This has started to occupy a prominent place in greater national discourse in the pre –independence era. Up till the 1990's CSRs are purely conducted for charity. Companies like Tata's and Birla's were involved in CSR like financial grants for the needy.

The conceptualization of CSR from philanthropic charity based model to stakeholder (customers, employees and shareholders) participation based model shows the increase of

10 Like the tatas Dhamra project where controversy arose regarding not following the Environment impact Assessment properly.

11 *See* discussion *infra* partII

12 The corporate sector seems to have picked CSR activities after 1991 reforms of economic liberalization which provided a pathway for transformation of Indian businesses into large global enterprises, on the other hand economic globalization has increased the pressure applied to companies to develop CSR policies that might help overcome specific governance gaps that maybe associated with the globalization phenomenon.

transparency, accountability and responsibility towards the employees basically and also for community and towards environment. Hence, it is the recognition of the fact that a company should not only deal with financial aspects but also cater to the non-financial concerns such as human rights, business ethics, environment policies, corporate contributions and community development. So, the triple bottom-line violation i.e., human rights, environmental rights and labour rights should not take place. So, in this post-liberalized period corporate social responsibility emerged from the realization among transnational corporations and industries of the need to account for and redress their adverse impact on society: specifically on human rights, labour practices and the environment.

IMPACT OF LIBERALIZATION ON LABOUR RIGHTS-

After 1990s, the ideology of liberalization, privatization and structural adjustments began to influence and the legal system started to act against labour instead of standing for them. As a result organized labour is almost completely deprived of their rights under law; workers became increasingly demoralized and resentful of the legal system and litigation. Hence, one thing is clear now, if organized labour believes that Indian Democracy in the era of liberalization has no place for labour rights then labour will seek options outside the democratic system and we have to pay the price for labour militancy. That is why Globalization and liberalization have forced government to give a serious thought to our anarchic labour law, which makes our companies uncompetitive globally and discourages foreign company in investing in India. Indian labour laws are among the most rigid[13] in the world. Therefore the crisscrossing networks of contradictory laws need an overall change. The single most important labour law is arguably Industrial Dispute Act, 1947. This is enacted a few months before India's independence and guides the hiring and firing rules of the industrial sector. It is an example of a good policy which is founded on antiquated economics and a handsome misunderstanding of the marketing

13 Data compiled by the World Bank collate the level of rigidity of hiring and firing rules in different nations-100 being the score of the highest conceivable rigidity. India is among the most rigid countries with a score of 48. China has the score of 30 Korea 34 Norway 30 whereas Singapore closes to 0.

principle. This law has probably done more to hold back the growth of India's manufacturing sector than any other policy. In this scenario, Government recognizes the need for increased flexibility in labour market, but they cannot bring the policy of hire and fire approach, as the institutions of social security, particularly unemployment insurance are not well developed in our country.

In this context, structural reforms in labour laws must ensure the welfare of workers. Reforming of labour laws will boost industry and create more jobs. It is the responsibility of not only the government but also of the employers to develop some well specified procedure to avoid undue unrest among workers. Secondly, whenever employers need more manpower, they should give preference to those workers who are retrenched at present. They should also introduce some unemployment insurance schemes made by the contribution of employees and employers. It is worthy to mention that corporate bodies should take special steps in the name of CSR by providing certain benefits for the workers.

The fact that the less rigid nations also have more efficient economies, hire wages and a smaller share of unemployed labourers is not a matter of coincidence. In the interests of the workers, reform of labour laws can be advocated instead of opposing. Industrial relation has become one of the most delicate and complex issues of modern industrial society, because industrial progress is impossible without co-operation of employees with employers. Therefore it is essential to create and maintain good relations between labourers and management for the interest of all. But these present labour legislations are inadequate to maintain that good relation, so far as the protection of the rights of the labourers is concern. Some existing delicate issues like prohibition of child labour, increasing sexual harassment of women worker in the workplace, migrant labourer's rights and contract labourer's rights with prohibition of certain retrenchment, health and safety of the workmen specifically those dealing with any hazardous or dangerous activity and non-availability of retirement benefit need to reenforce through some strict rules.

While, pronouncing a dissenting judgment in *State of Punjab* V *Devans Modern Breweries Ltd*[14] the Supreme Court, explained the importance of globalization in an extraordinary fashion. The Court says the states are encouraging liberalization to such an extent that in the near future alcohol beverages may be allowed to be sold in small grocery shops. The executive authorities are contemplating to grant permission to open liquor shops at the airports. The society has accepted pub culture in the metros. A view in the matter therefore is required to be taken having regard to the changing scenario on the basis of ground reality and not on the basis of the centuries old maxims that is our traditions, values etc. The old maxims taught us to treat labourers with dignity and our maxims also taught us that education should never be a profiteering venture and that all the people of India rich and poor have a right to be educated. The Apex Court has dictated in the case of *TMA Pai Foundation* V. *State of Karnataka*[15]that right to education is a fundamental right under Article 21A of the Constitution of India. The Court also held that the scheme relating to commercialization of education and fixing of fees were not correct. Instead of having this system now we have unregulated commercialization of education which is the imperatives of Globalization. The same fact also applies to Devans case, where the Court gave its stamp of approval to liberalization, globalization, privatization, outsourcing and the prevailing market economy. It is clear that the poor are generally against globalization, while the riches are in favour of it. This is true not only of the poor and working people in India, but also of the entire developing world. It is strange that no argument and no data are presented in the court on these issues as well as parties are not served any notice regarding the intention of the court to pronounce on the goodness of globalization. In another leading judgment of *BALCO Employees Union* V *Union of India* [16], the Court held that a disinvestment policy and individual instances of privatization cannot be examined by the Court at all. There are numerous instances where privatization of public sector companies was done by the government in a corrupt and non-transparent manner in order to benefit ministers and others. This judgement goes against the working class and the most damaging part of this verdict is that court does not feel the need of consultation with the workers. Globalization

14 (2004) 11 SCC 26
15 (2002) 8 SCC 481
16 (2002)2SCC 333

and liberalization had caused a major change in the thinking of judges. The impressionist view that globalization offers a panacea for everything will soon be proved wrong as the crisis in the present international financial situation demonstrates. Millions of middle class people have been rendered destitutes by the meltdown in the markets. Globalization no longer glitters but the damage caused by the decisions of the last ten years to different issues on labour rights will incredibly increase. Contract and casual workers fall into destitution. Labour and industrial Court become virtually dysfunctional and day by day the working class looses faith on the judiciary because it fails to maintain a balance between capital and labour.

Again in the era of liberalization with the increasing rate of contract labourers and migrant labourers, the Supreme Court stand is not clear. The Supreme Court interprets the Contract Labour Act, 1970 in the *Air India statutory Corporation* V *United Labour Union* case[17] with a straight forward and logical manner keeping in view that the statute is enacted in order to ameliorate the harsh and terrible condition under which contract labour toil in this country. They have no security of tenure and can be fired at will. They are poorly paid even less than the minimum wages. And they toil for decades as contract labour without the chance of becoming permanent even though they are engaged in regular work positions. Their conditions are akin to slave or bonded labour. Any protest from their side would invariably result in the employers telling the contractors to get rid of the workman. Workmen thus terminated have little recourse against the principal employer and have no existence apart from their contract with the principal employer. Often the contractor would pretend to close down his work on a labour dispute arising, get rid of the workmen and then pretend to start a new contract.[18] The Court also expressed the view that on abolition of the contract labour system the workers would deem to be absorbed on a permanent basis.

But the situation changed with the changing time of liberalization, where the employers want hire and fire rule. The only way this can be achieved was by keeping workers in a

17AIR 1997 SC 645
18 Gaitry Singh, *Globalization and Labour Law*, COMBAT LAW(Delhi)November- December 2008, 7, 17 (2001)7SCC1

permanent state of insecurity. So, in another judgement of *Steel Authority Of India ltd.* V *National Union Waterfront Workers* [19], the Supreme Court held that the abolition of the contract labour system could not result in the absorption of labour. Thus, the abolition of the contract labour system in effect resulted in the abolition of the contract labour rights. Millions of contract workers were victimized, permanent work positions were converted on a very large scale into contract labour employment and these labourers worked often with wages less than the minimum wage in harsh and unsafe conditions without any legal remedy. Today both in the public as well as in private sector about 80 percent of the work force was on contract basis. At best the wage paid would be the minimum wage even for workers who were nearing retirement. Such were the conditions in which the workers found themselves. By holding thus, the Apex Court effectively destroyed a social legislation meant for the upliftment of the contract labour and acting directly contrary to the mandate of parliament and denuded contract labourers of their rights under statute.

Five years later in another judgement of *Secretary, State o f Karnataka* V *Umadevi* [20], the Supreme Court gave decision on labour rights by holding that ad-hoc, casual and temporary employees, who were taken on duty by the employer contrary to the establishment rules, even if they are employed for more than a decade on continuous work, cannot seek regularization of their services. The logic is that all such employees are a backdoor entry and deserve no sympathy because they deprived other potential aspirants of employment. All these sound fair enough. But the end result was that millions of casual and ad hoc workers who had worked continuously for long periods of time in permanent work positions were then destined to continue as such for the remainder of their lives or, worse still face termination of their services. Many of them were qualified. Most of them had acquired skills during employment. In most cases their services were appreciated. They were loyal to the organization and an asset to it. But, in such circumstances to condemn them or to remove them from service almost at the end of their career was gross injustice. Many times a casual worker would do the same work as a permanent employee on less than the minimum wage and without provident fund,

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20 (2006) 4 SCC 1

gratuity, bonus or leave. Millions of such workers were employed in the public sector which is supposed to be according to the Apex Court a model employer. Many millions more were employed in the private sector breaching a basic principle of labour jurisprudence that permanent work implies permanent work position and permanency for the workmen. Yet in Umadevi's case not a single employers who recruited the workers was punished. It is they who knew the rules and breached them, not the workers. The workers could not in their widest imagination understand that their recruitment on pitiable wages and unfair working conditions was illegal. It was said in this case that employment should always be in accordance with the rules. This means that posts will be advertised and that if there are permanent work positions casual workers would not be taken for such work. And yet six years after, this case also employers in the public and private sector continue recruiting casual workers in permanent work positions.

The observations of the Apex Court in this case are a double-edged sword. It constitutes a prohibition on the recruitment of casual workers except for casual work and as stated above, it punishes the workmen for being in the establishment. The other edge of the sword, namely the injunction against backdoor entry has never been used. No employer has been prohibited from continuing with the backdoor entry system. In fact, after a series of cases the Courts are told that government has imposed a cut in permanent recruitment and has reduced the number of sanctioned posts under globalization and that, therefore, it is not possible to increase the number of permanent work positions. But the works of the departments are increasing and there has not been even a single case where public sector employers have been punished for not only continuing but also expanding backdoor entry. The instance of this case is intended to prevent casual workers in the public sector which is a genuine case for regularization, from becoming permanent. Only history of labour struggle will decide whether such a course of action is justified. Further it can be said that if labour force is violent, the Courts react to discipline it and if it is unproductive, the Courts intervene to improve productivity. The tragedy of this period of judicial decision is that it takes place at a time when labour force is completely subdued, disciplined and productive.

Overall labour struggle is going on in the country and among the many labour struggles important one is Honda case.[21]

We can see the root causes behind labour unrest in last 10 years. They are as follows,

- Inequality in structuring wages.
- Retrenchment of labour which calls for sorting out the differences between employers and employees regarding Industrial Dispute Act, 1947.
- Management's decisions to go for contract labours without giving them permanent job security and denying for fair wages.

These decisions show that, there is a need for change in the role of corporate sector and the Government with the reformation in the existing labour legislations

In the welfare economy, when government introduces much-needed economic reforms in the country, which marked the beginning of the economic liberalization and free market economy in India, the major impact of these economic reforms has increased presence of transnational corporation in the country and transformation of Indian business into large global enterprises. Due to this transformation of Indian economy, negative impact of economic liberalization is increased more than positive impact on Indian society. So gradually CSR becomes important for Indian people as it can be the better way to tackle the negative impact of economic liberalization. The concept of corporate social responsibility till 1990s is purely in terms of philanthropy or charity. Since it is an act of charity, the corporation does not feel the need for community participation; however in the post-liberalized phase it has become stake-holder based participation and this has increased the responsibility and accountability towards the community and working-class. But the question remains at this juncture, whether change in the basic nature of CSR will suffice to control the effect the post liberalized era. Or is it the minimum responsibility they show towards the community as a whole or particularly the working class. So, whether contemporary liberalized economic policy can sustain itself without a comprehensive policy for Corporate Social responsibility?

[21]The Hindu Business Line, *Outsiders instigated labour unrest: Honda management*, April 17,2012,available at http://www.thehindubusinessline.com/bline/2005/07/27/stories/2005072702770100.htm

RESEARCH QUESTIONS

- What is the reason for shift in the basic nature of CSR in the post liberalized era?
- What is the effect of liberalized economic policy on labour rights in India?
- How far the international CSR standards help in the protection of labour rights?
- Where do we stand in comparison with the western countries and other Asian countries in the implementation of CSR to protect labour rights?

HYPOTHESIS

The liberalized economy rarely takes into account the vulnerability of industrial workers and also the violation of human rights of the general mass due to massive industrial hazards. The situation can be better by undergoing a change in the existing labour legislations or by giving proper judgements in different cases. At the same time by increasing ethical values and respect for the human rights of employees and communities as a whole in the name of CSR the goal of labour rights protection can be better achieved.

OBJECTIVES

The researcher attempts to enquire into the relationship between liberalized economy and changing nature of CSR in relation to labour rights in India. So, the objectives of this research will be to study the pre and post-liberalized era of Indian economy in order to understand the impact of economic liberalization on Indian labour market. The study would discuss the causes for changing nature of CSR in post liberalized era and evaluate the increased need of CSR in relation to labour rights. The objective of the research also includes a comparative analysis of Indian position with USA, UK and some of the prominent Asian countries.

SCOPE OF THE STUDY

The scope of this research is to deal with the CSR in India, specifically in the context of labour rights. The time is delimited by using the word “post liberalized era” means from 1990s. As after 1990s economic liberalization policy are undertaken in India to change our financial system. Also an attempt will be making to valued Indian position with other developed countries like USA, UK with other Asian countries as well.

RESEARCH METHODOLOGY

The research will be conducted primarily on the basis of doctrinal method. Reference would be made to consist of primary sources and secondary sources. Primary sources consist of statute and legislations and secondary sources are books, journals, articles and also e-resources. Apart from this, the researcher has adopted the empirical method for collection of data in which the researcher has chosen questionnaires survey. Basically the close ended self-completion questionnaires are being asked. Here researcher wants to use the questionnaire method because it will help to collect data from large, diverse and widely scattered people who are the employees of different corporate bodies whose rights have been affected. The Questionnaires are transferred in both direct and indirect way, which involve the use of electronic media.

RESEARCH PLAN AND TIME SCHEDULE

1. Preliminary work including pre studies -3 months
2. Data collection-up to the time of completion of thesis
3. Data analysis-2 months
4. Report writing-Study and write on the chapters (Research involves 6 chapters including introduction and conclusion. So, it will take 2*6=12 months)-12 months.

Total approximately 25 months.

REVIEW OF LITERATURE

Smith[22], believes that it is the necessity of maintaining an ethical behavior in order to maximize long term growth. He presents the idea of 'honesty is profitable', such as if a salesman makes a considerable number of deals , his goal is not to obtain the maximum benefit in each goal but to obtain a maximum of total deal. So, to lie or cheat can make the number of future deals decrease, diminishing the total benefit.

Amartya Sen[23] explains that one of the main defects of contemporary economics is the reduction of the wide Smithinian view of humans. Like Smith he approached market mechanism on its own can provide general welfare to a society. He has included this thinking in his utilitarian trend. Utilitarianism gave place to economic liberalism. Liberalism has been the most relevant economic trend until some financial scandals and ecological disasters have opened other ways of thinking that recovers essential characteristics of human: the moral conscience.

M. P Singh, Helmut Goerlich and Michael Von Hauff[24], in their writing, focused on various dimensions on social security. Basically when the question arose regarding establishing and implementing system of Social Security in a developing country such as India, the issue of the theoretical and empirical relationship between the human right to social security and the goal of economic development is crucially significant.

22Library Economics Liberty, *An Inquiry into the Nature and Causes of the Wealth of Nations*, April 17,2012,available at
http://www.econlib.org/library/Smith/smWN0.html
23Social Science Research Network, *Distributive Justice and Disability: Utilitarianism Against Egalitarianism*, April 17,2012 available at
http://papers.ssrn.com/sol3/papers.cfm?abstract_id=886641
32MAHENDRA SINGH, GOERLICH HELMUT P, MICHAEL VON HAUFF, HUMAN RIGHTS AND BASIC NEEDS: THEORY AND PRACTICE (2005).
33 P.K. PADHI ,LABOUR AND INDUSTRIAL LAWS (2009).
34 DEEPAK NAYYAR, GOVERNING GLOBALIZATION-ISSUES AND INSTITUTIONS (2007).
35 AMIYO KUMAR BGCHI. GLOBALIZATION , LIBERALIZATION AND VULNERABILITY: INDIA AND THIRD WORLD(Sir Hans Singer, Nilamber Hatti and Rameshawor Tandon,ed.,2005)

Self-sustained growth, rapid industrialization, rapid rise in the standard of living of the people, maximization of employment and equality of opportunity are the main objectives of the economic and social policies of country. Harmonious relations in every sphere of human activity are essential for the socio economic and political progress. However the conflict of interest between the working class and management is always there. Worker's efforts to achieve higher wages and other economic benefits, security of employment, greater freedom and dignity at the work place have always been viewed with suspicious attitude by the employers. So, in this regard Supreme Court and High Courts pronounce enormous judgments to control their relationship. All these things highlighted by Padhi in his book.[25]

In 1990's India's economy liberalized. So, what are the after effects with different other issues and the present position of Globalization and Liberalization on Indian Economy. All these things have been presented by Nayyar[26] in his book.

Bagchi[27] in his writing discuss all the issues relating to Globalization. He discussed Globalization as process and policy. Moreover he also discussed economic reforms and its result and In another part he discussed about India's position with other Asian countries. Along with this he has also discussed about liberalization policy and impact of it.

Ahluwalia[28], in his paper attempts to document the performance of the major states in the post-reform period 1991-92 to 1998-99 and compares it with performance in the previous decade. The paper also seeks to explore the reasons for the differences in growth across states and also try to identify the critical policy issues that need to be addressed if the slow growing states are to achieve more respectable growth rates in future. There are severe data limitations that limit our ability to explain inter-state variations in performance. The impact of India's economic reforms on economic performance and economic liberalization have been the subject of much academic study and public debate

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28 *State Level Performance Under Economic Reforms in India*, April 17,2012 available at http://planningcommission.nic.in/aboutus/speech/spemsa/msa007.pdf

in India, but he focus as largely on the performance of the economy as a whole or of individual sectors.

Dreze and Sen[29], in their book discussed from the independence of India to development economy. Basically in India, the development economy directly related to the social opportunity of the people. While discussing this they compare the economy of India to other countries for example China. They also talk about economic operation outside India. They also did not forget to highlight the women's role or status in the country where economy is developing one.

The clash between the Labour and Management of Honda motors Scooters has remind us bogey of strikes in the socialist era. In the backdrop of this incident, Soni[30] describes industrial relations in the labour movement, while in another part he discussed Globalization and Liberalization has forced the government to give a serious thought to our anarchic labour law which makes our companies uncompetitive globally and discourages foreign company from investing in India, as Indian labour laws are most rigid in the world.

29JEAN DREZE AND AMARTYA SEN ,INDIA : ECONOMIC DEVELOPMENT AND SOCIAL OPPORTUNITIES(2006)
30NILESH KUMAR SONI, LABOUR REFORMS- NEED AND IMPLICATION (2009)

STRUCTURE OF THE THESIS

CHAPTER 1- INTRODUCTION:

This chapter will introduce the topic as well as it carries Research Questions, Hypothesis, Objectives, scope of the study, Research Methodology and Review of Literature.

CHAPTER 2- CONCEPT OF CSR, ITS RATIONALE AND CHANGING DYNAMICS:

CSR is an important part of corporate strategy where conflict arises between corporal profits and social goals. Where in the pre liberalized period it is only charity based but now that has become stake-holder based participation in the post-liberalized period and the reason of this transformation is discussed herewith in this chapter. The reason behind its paramount recognition with special emphasis on its accountability and transparency is focused vividly in this chapter. Social and environmental investments of CSR are also the key aspects of corporate governance in the era of globalization.

CHAPTER-3- INTERNATIONAL LEGAL STANDARD OF CSR:

This chapter will start with the role of international financial institutions (IMF and World Bank). In this part an attempt is made to analyze how the domestic laws of the developing and under developed countries have been misused or misguided by these two financial institutions. These two institutions greatly influenced economic policy of developing countries; generally promoting the interests of capital, rather than that of labour, for example, to fight against inflation than to promote the growth of output and employment. Similarly instead of encouraging capital account liberalization in developing countries they should permit them to have capital controls. The next part will deal with the International CSR standards and guidelines consisting of ILO Tripartite Declaration of principles concerning Multinational enterprises and social policy, the OECD guidelines for multinational enterprises, the UN Global Compact with WTO and GATT and also resolution 2005/69, Commission on Human Rights with U.N Human Rights Council declaration on business and human rights.

CHAPTER-4- IMPACT OF LIBERALIZATION ON INDIAN LABOUR MARKET: ROLE OF CSR:

This chapter will deal with changing scenario of welfare economy and closed economy into liberalized economy. Whether changing economy is better than before to tackle the problem of larger population particularly the lower and medium grade workmen those have neither employment guaranty nor any beneficial security schemes. So, this chapter will deal with whether these industrial labour legislations are capable to tackle the effect of liberalized economic policy spread under Globalization. Also in this globalized and liberalized economy, jobs are less secured and inequality prevails everywhere; can existing social welfare legislations including labour legislations control the after effect of liberalization? This part deals with labour practices specifically on child workers, workers from unorganized sector, and the problems of women workers and the workers of organized sector through different legislations like Child Labour (Prohibition and Regulation) Act, 1986, The Contract Labour (Regulation And Abolition) Act, 1970, Employees' State Insurance Act, 1948, Employees' Provident Fund Scheme, 1952 - etc.

CHAPTER-5-COMPARATIVE ANALYSIS BETWEEN INDIA AND OTHER COUNTRIES ON THE ROLE OF CSR:

This chapter deals with the comparative analysis between different countries' standards in relation to CSR and Labour rights. It is widespread perception that understandings of CSR and also CSR practices differ among countries due to different cultural and institutional frameworks that is national business system. Basically this chapter is divided into two parts. The first segment will contain the comparison between India with other developed countries like USA and UK. USA is taken because it is one of the developed industrialized countries and UK is taken because the most of the MNCs in UK are covered by a corporate code which includes CSR provisions. 80% of this code is international in scope. The last part of this chapter will contain a comparative analysis between India and other Asian countries. China has drastically changed its system of

labour market from a rigid security of employment to one in which labour is extremely mobile because it has greatly helped China in generating employment as well successfully reappointing workers who are laid off in the process of restructuring of enterprises in the era of Globalization.

CHAPTER-6-CONCLUSION:

This chapter will include concluding remarks followed by suitable answers and remarks given on the questions or issues raised in this research along with suggestions and recommendations.

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